



International
Forum of Insurance
Guarantee Schemes

IFIGS

PRESS RELEASE

The International Forum of Insurance Guarantee Schemes (IFIGS) highlights the importance of policyholder protection

Recently published research enumerates 547 insurance company failures in last 22 years

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At the Annual General Meeting of the International Forum of Insurance Guarantee Schemes (IFIGS) in Vancouver this week, Chair Paul Petrelli (CEO of Assuris) made special reference to a landmark research study recently published by the Property and Casualty Insurance Compensation Corporation (PACICC). The study (authored by PACICC Chief Economist Grant Kelly and Research Associate Judy (Zhe) Peng) was based on analysis of a newly created Global Failed Insurer Catalogue which identified 547 insurer failures in 55 different national jurisdictions since the year 2000.

“This research provides us with important insight into the continued risk of insurance failure – even in developed economies.” said Alister Campbell, CEO, PACICC. “And it should remind all of the participants in the financial services safety net of the risks of complacency. This study reveals that clusters of insurer failures often occur after a significant period of calm...it is critical never to take past success as a predictor of future results.”

“Perhaps most significant,” Campbell continued, “the study exposed the unfortunate reality that policyholders often suffered financial loss as a result of the failure of their insurer. This evidence highlights exactly why it is so important that each jurisdiction takes appropriate steps to ensure that policyholder protection mechanisms or insurance guarantee schemes are established and ready to respond effectively when failures inevitably occur.”

“Next month, the International Association of Insurance Supervisors meets for their Annual General Meeting in Tokyo. We sincerely hope that they pay close attention to this study in their deliberations, regarding the merits of policyholder protection mechanisms as a core component of an effective financial services safety net.” said Campbell.

The International Forum of Insurance Guarantee Schemes (IFIGS) was formed by a group of insurance guarantee schemes from around the world, interested in sharing their experiences in providing policyholder protection in the event of an insurance company failure. IFIGS now has 28 Full and Associate Members from 23 countries across the Americas, Europe, Asia and Africa.

For more information: IFIGS.org or Information@IFIGS.org

To access the PACICC study: <https://www.pacicc.ca/wp-content/uploads/When-Where-and-How-Often-Insurers-Fail-Introducing-the-Global-Failed-Insurer-Catalogue-2023.pdf>